	SAAA POLICIES & PROCEDURES	
	Procedure Name	MGT 1.2.03-000 Authorisation for Expenditure.docm
	Revision No	0
	Revision Date	05 - 02 - 2018
	Procedure Owner	MFIN

Purpose

To ensure that financial commitments always represent value and, at all times, are within the financial capacity and consistent with the business plans of the SAAA

Scope

This policy & procedure covers the establishment, approval and monitoring of AFEs


Prerequisites

1. An Authorisation for Expenditure (AFE) is required for any expenditure that is:
 - a. Expected to exceed \$250
 - b. Not an already approved expenditure or has not been explicitly included in a prevailing approved business plan budget, and in any event if such expenditure is expected to exceed the prior approved or business plan budget provision by more than 10% or \$2,500

2. AFEs must be:
 - a. Prepared using a standard SAAA form – that will be substantially in the form of that indicated in Annexure 1 to this policy & procedure
 - b. Represent all elements relating to an activity – for the avoidance of doubt:
 - i. Multiple AFEs prepared for an identified activity, event or project are not acceptable, unless there is a clear distinction between different classes of expenditure such as that relating to for example capital (assets) or operating expenditure (non-asset)
 - c. Approved IAW prevailing financial authorities defined from time to time by resolutions of the National Council:
 - i. Up to \$5000 – Hon. Treasurer (TREAS) and the related activity Sponsor or alternate – generally the person responsible for the management of the related business area
 - ii. Above \$5000 - Resolution carried by a majority of the National Council
 - d. Stored in the financial records on the SAAA server
 - e. Established with expenditure tracking within the SAAA accounting system

Responsibilities

- a. Preparation of AFE and obtaining approvals – Sponsor (person responsible for the conduct, delivery and co-ordination of the activity or project; generally, the relevant appointed SAAA business portfolio manager)
- b. Monitor and control of expenditure and, if required, generation of approved ceiling adjustments prior to exceeding previous approved levels – Sponsor
- c. Storing of AFE records and tracking within accounting system – TREAS


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Procedure

1. Establishment of an AFE
 - a. Once an activity is identified, Sponsor to determine if the scope and adequate approved financial expenditure is already available as a function of existing approvals (generally in the form of AFEs) or within a prevailing business plan. If cover exists, then no further action is required other than – if the activity Sponsor is the relevant SAAA business portfolio manager – the Sponsor must:
 - i. Liaise with and in effect seek approval from the relevant SAAA business portfolio manager
 - ii. Confirm with TREAS that adequate funds in any event exist
 - b. If no pre-existing approved scope definition or expenditure estimate is available, then the Sponsor must:
 - i. Prepare an AFE with sufficient detail so as to allow clear identification of key scope elements and each related income or expenditure estimate
 - ii. Sign and submit the AFE prepared using standard form MGT 1.2.03 FIN 1.0-01 SAAA AFE – TEMPLATE for other approvals as required but in the first instance to TREAS
 - c. In the event that National Council approval of the AFE is required, TREAS to table the AFE for approval at the next available National Council meeting. If the matter is urgent, TREAS to pass to Hon. Secretary who must then circulate to National Councillors for approval by way of emailed circular resolution
 - d. Once all approvals are obtained, TREAS to place executed AFE on the SAAA server (MGT-Financial / Reports & Records / AFEs) and forward to the prevailing SAAA accounts support team (ACCUNTS) for entering into the SAAA accounting system (so as to provide for expenditure tracking against the AFE)
2. Monitoring of expenditure against an AFE
 - a. The AFE Sponsor must stay abreast of activities relating to an AFE so as to be in a position to identify whether or not there may be an expectation of a cost overrun. In the event that a cost overrun is identified or anticipated, the Sponsor must prepare an amended AFE and submit for approval of the revised ceiling – ideally, before a prior approved ceiling is exceeded
 - b. TREAS should ensure that a standing instruction with ACCOUNTS delivers at least monthly reports / reconciliations of all current AFEs. TREAS should table any ceiling exceedances or revisions in routine financial reports provided to National Council meetings


References

- a. AFE standard form MGT 1.2.03 FIN 1.0-01 SAAA AFE – TEMPLATE

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Definitions

Acronym or Terminology	Concise definition or meaning
ACCOUNTS	Prevailing SAAA accounts support team
AFE	Authorisation for Expenditure
IAW	In accordance with
MFIN	Prevailing SAAA Manager Finance
Sponsor (AFE)	Person responsible for the conduct, delivery and co-ordination of the activity or project related to an AFE; generally, the relevant appointed SAAA business portfolio manager
TREAS	Prevailing SAAA Hon. Treasurer or MFIN

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Annexure 1

AFE standard form MGT 1.2.03 FIN 1.0-01 SAAA AFE – TEMPLATE



SPORT AIRCRAFT ASSOCIATION OF AUSTRALIA

Authorisation for Expenditure (AFE)

Required if expenditure is not a background/baseline support type expenditure and has either not been included in the budget, or in any event exceeds or is expected to exceed the budget provision by more than 10% or \$2,500

AFE Ref: [YYYY]-[XXX] (i.e. 2017-013)
Date Raised: [dd/mm/yyyy]
Project / Activity: [Brief Descriionn] (i.e. CASA - Sydney Audit)

Business Area: [Portfolio] (i.e. Tech & Industry Liaison)
Portfolio Mgr: [Name] (i.e. Geoff Danes)
Driver: [Name] (i.e. Geoff Danes)

Business Plan Item: No
Occurrence: One-off

Value Proposition: [Free text] (i.e. Meet routine CASA audit requirement)

	Current FY	Subsequent FY	Total Commitment or Liability	Budget Provision (if any)
Revenue Est:	\$0	\$0	\$0	\$0
Expense Est:	\$1,490	\$0	\$1,490	\$0
Net Profit(Loss) Est:	-\$1,490	\$0	-\$1,490	\$0
Capital Est:	\$0	\$0	\$0	\$0

** Total Commitment or Liability may exceed sum of Current FY and Subsequent FY estimates*

Approvals:

	Treasurer	Sponsor/Alternate	NC Approval
Required:	Yes	Yes	>\$5000
Name:	Andy George	Geoff Danes	NC Resolution
Date:	[dd/mm/yyyy]	[dd/mm/yyyy]	[dd/mm/yyyy]
Signature:			N/A



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AFE Ref: [YYYY]-[XXX] (i.e. 2017-013)
Date Raised: [dd/mm/yyyy]
Project / Activity: [Brief Descriionn] (i.e. CASA - Sydney Audit)

Detailed Scope & Rev / Expense / Capital Elements:

Revenue:	\$	Description
1		
2		
3		
4		
5		
6		
7		
8		
9		
10		
Total		\$0

Expense:	\$	Description
1		\$1,490 CASA Safety Forum - JS
2		
3		
4		
5		
6		
7		
8		
9		
10		
Total		\$1,490

Capital:	\$	Description
1		
2		
3		
4		
5		
6		
7		
8		
9		
10		
Total		\$0

